



Financial Management Support Annex

I. Introduction

A. Purpose

This annex provides basic financial management guidance to Federal departments and agencies that respond to a major disaster or emergency under the provisions of the Federal Response Plan (FRP). Its intent is to ensure funds are provided expeditiously and financial operations are conducted in accordance with established law, Federal policies, regulations, and standards.

B. Scope

This annex is applicable to all Federal agencies with responsibilities under the FRP.

II. Operating Assumptions

The financial management organization and operations described in this annex are based on the following assumptions:

- A. Expenditures from the Federal Disaster Relief Fund (DRF) may be required. To ensure proper accountability of these funds, Federal financial principles, policies, regulations, and management and internal controls will be applied;
- B. Under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the President may direct any Federal agency, with or without reimbursement, to use the authorities and resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical, and advisory services) in support of State and local assistance efforts;
- C. Upon the occurrence of an event that results in a Presidential major disaster or emergency declaration, funding may be made available from the DRF; and
- D. Federal agencies will be reimbursed for eligible work or services performed under a mission assignment (MA) issued by the Department of Homeland Security (DHS).

III. Responsibilities

A. Department of Homeland Security Chief Financial Officer

- 1. The DHS Chief Financial Officer (CFO) serves as the senior Federal financial official under the FRP. The CFO's responsibilities are to:
 - a. Oversee all financial management activities relating to the operations of the DRF to ensure sound financial management practices and standards are applied;

- b. Coordinate DHS's requests for disaster funding with the Office of Management and Budget (OMB) and Congress, ensure adequate funding levels are maintained to meet projected expenditures for specific disaster declarations, and ensure all funds expended from the DRF are in accordance with generally accepted accounting principles for Federal agencies, the General Accounting Office (GAO) Policy and Procedures Manual, Title 2 and Title 7, the Government Accounting Standards Board, and Federal Accounting and Standards Advisory Board, as well as Treasury Department procedures and guidelines; and
 - c. Serve as the primary advisor to the Chairman of the Catastrophic Disaster Response Group (CDRG) on financial matters involving the DRF and keep the CDRG informed on the status of funds made available for the disaster operation.
- 2. The CFO will appoint a Comptroller from a cadre of qualified individuals to oversee Disaster Field Office (DFO) financial operations.
- 3. The CFO will ensure expeditious processing of all documented requests for reimbursement from Emergency Support Function (ESF) primary agencies; ESF support agencies whose bills are submitted through, and approved by, the primary agency; and other agencies tasked directly by DHS.
- 4. The CFO will apply proper financial principles, policies, regulations, and management and internal controls for the expenditure of funds appropriated to the DRF.

B. Comptroller

- 1. To further strengthen financial controls over DHS disaster activities, the Comptroller function was established. The Comptroller will serve as the senior financial advisor to the Federal Coordinating Officer (FCO) and will be accountable to the CFO for financial management and reporting. The Comptroller also may be deployed to the Regional Operations Center (ROC) before the DFO opens.
- 2. The Comptroller's responsibilities include but are not limited to:
 - a. Timely processing of funding requests (Requests for Allocations);
 - b. Preparing Requests for Allocation Advice;
 - c. Working with DHS program staff to ensure adequate funding levels are maintained to meet expenditures;
 - d. Monitoring expenditures, including tracking funds at object and subobject code levels; tracking and reporting commitments, obligations, and disbursements against the disaster-specific fund from not only the DFO but also any other site; reviewing each commitment to ensure proper expenditure of funds;
 - e. Reporting funding activity to the FCO/Disaster Recovery Manager (DRM) and CFO on a regular basis;
 - f. Providing policy guidance to the FCO/DRM and his or her staff;

- g. Managing the financial oversight of DHS disaster response and recovery activities; and
 - h. Providing the FCO/DRM with the necessary expertise and authority essential for effective fiscal management of expenditures from initial disaster response activities to closure of the DFO.
3. Functions under the Comptroller's purview include fund control activities; financial document control; mission assignment reviewing, processing, and tracking; travel; and acquisition.

C. Department of Homeland Security Regional Director

1. The DHS Regional Director (RD) of an affected region serves as the financial official responsible for stewardship of DHS funds for a specific State's disaster or emergency situation.
2. The RD's responsibilities are to:
 - a. Ensure administrative control of the DRF. The existing regional financial processing unit supports disaster financial operations prior to the establishment of a DFO;
 - b. Prepare budget estimates for disaster funding requirements and request allocation of funds; and
 - c. Authorize the commitment, obligation, and payment of funds provided under the provisions of the Stafford Act.
3. The RD may delegate authority to the FCO/DRM to carry out the responsibilities of the RD.
4. After the DFO closes, the RD may revoke his or her delegation of authority to the FCO/DRM and resume performance of the financial management responsibilities vested in the FCO/DRM.

D. Federal Coordinating Officer/Disaster Recovery Manager

The FCO/DRM is delegated authority by the RD to exercise the authority vested in the RD for a major disaster or emergency. Therefore, all of the financial authorities vested in the RD are vested in the FCO/DRM. The FCO/DRM can delegate authority for approval of specific financial management transactions to other DHS officials.

1. The FCO/DRM is responsible for project management, which may be delegated to designated Project Officers. For procurement of equipment and supplies, the Logistics Section will provide Project Officers, unless otherwise agreed on between the Logistics Section Chief, the Comptroller, and the mission-assigned agency.

2. DHS officials who are delegated MA signature authority are referred to as Federal Approving Officials (FAOs). In addition, every MA has a designated Project Officer who is responsible for performing project management responsibilities on behalf of the FCO/DRM.

E. Department of Homeland Security Office of Inspector General

The DHS Office of Inspector General's (OIG's) responsibilities are to:

1. Assist the FCO in preventing and detecting fraud, waste, and abuse;
2. Serve as the point of contact (POC) with other Federal, State, and local law enforcement agencies on law enforcement matters;
3. Ensure the integrity of delivery of disaster assistance;
4. Respond to, and investigate allegations of, fraud and other criminal activity affecting DHS; and
5. Recommend to the OIGs of other agencies audits of agency performance and financial management of MAs.

F. Other Federal Agencies

1. Other Federal agencies providing disaster assistance under their own authorities independent of the Stafford Act are to use their own funding.
2. Other Federal agencies providing assistance under the Stafford Act via MAs may seek reimbursement from DHS for eligible costs incurred during performance of the mission.
3. The General Services Administration (GSA) may function as a procurement agent to obtain goods and services for Federal agencies other than DHS. In these cases, GSA arrangements are independent of DHS and all obligations incurred for goods and services for other Federal agencies will be billed directly to the ordering agency. Other Federal agencies should request reimbursement from DHS only after receipt of a bill.
4. Other Federal agencies receiving reimbursement from DHS for goods and services furnished under the provisions of the Stafford Act are to record such funds to the appropriation used to cover the expenditure.
5. Each ESF primary agency, in conjunction with its support agencies, should advise the FCO/DRM of the amount and distribution of funding required in support of the ESF.
6. Each ESF primary agency is responsible for tasking support agencies by completing a subtasking document that describes the work to be performed, estimates date of completion, and establishes a funding limitation. The ESF primary agency is responsible for monitoring the work progress of a subtasked support agency and

approving the request for reimbursement submitted by the support agency, through the primary agency, to DHS.

7. Each ESF primary agency should review all requests for reimbursement for goods and services from subtask agencies. The ESF primary agency Project/Program Administrator will certify to DHS that the expenditures claimed have been reviewed and are relevant to the mission assigned, and that costs are reasonable and supported by documentation.
8. Each Federal agency involved is responsible for:
 - a. Maintaining documentation to support requests for reimbursement;
 - b. Notifying DHS when a task is completed;
 - c. Submitting partial or final reimbursement requests within 90 days of completing a task. Final bills should be marked "Final";
 - d. Providing monthly status reports to DHS;
 - e. Identifying a staff-level POC for financial coordination with the Office of Financial Management/Disaster Finance Center (OFM/DFC), and identifying a headquarters (HQ)-level POC for billing and reimbursement issues that cannot be resolved at the staff level; and
 - f. Applying proper financial principles, policies, regulations, and management and internal controls to ensure full accountability for the expenditure of DRF funds.

G. Certifying Officer

A certifying officer is an individual designated in writing with responsibility and authority to verify that payments are legal, proper, and credible. A certifying officer is accountable for and may be required to personally reimburse the Federal Government for any illegal or otherwise improper payment made because of his or her inaccurate certification to a disbursing officer. In accordance with 31 U.S. Code (U.S.C.) 3528, the ESF primary agency, in consultation with its support agencies' Project/Program Administrators, will be held accountable for the computations and supporting records for reimbursement requests for goods and services performed under an MA issued by DHS. Any illegal, improper, or incorrect reimbursement resulting from a false, inaccurate, or misleading certification will be resolved in accordance with guidance from GAO.

IV. Concept of Operations

A. Disaster Field Office

Upon issuance of a disaster declaration, a Comptroller will be deployed to the site to immediately begin overseeing policies and procedures for financial management and internal controls. The operations and functions in the Comptroller's Office will include:

1. The Comptroller, who is accountable to the CFO for financial management and reporting of DRF activities;

2. The Finance Branch Chief/Deputy Comptroller, who will report to the Comptroller and oversee the Finance Office. Duties include supervising the Comptroller's staff, providing the Comptroller with financial reports, ensuring the timely processing of funding requests, establishing and maintaining a system to accurately track and monitor financial documents, and ensuring adherence to DHS and other Federal financial policies, procedures, and regulations;
3. The Funds Control Group, which will process funding requests (Requests for Allocation) on a timely basis; monitor commitments, obligations, and expenditures; track funds; monitor program funding levels; identify trends in commitments and obligations; report funding activity; and inform program points of contact on the status of funding levels. The group will notify program managers when funding increases are necessary and coordinate the increase with OFM;
4. The MA Group, which will coordinate MAs, process Requests for Federal Assistance (RFAs), identify costs associated with direct Federal assistance, obtain approvals, and track and process financial documentation required for monitoring expenditures, including the tracking of funds at object and subobject code levels. The MA Group also will be responsible for providing pertinent financial documentation and information to the OFM/DFC to allow timely reimbursement of invoices and the coordination of State cost-share billings;
5. The Travel Group which will prepare travel vouchers using the Travel Manager System, perform quality assurance reviews, and transmit travel information to the OFM/DFC; and
6. The Acquisition Group, which will be responsible for Disaster Contracting and Disaster Grants Management. Contracting responsibilities include the full range of preaward and award functions in support of Regional Contracting Officers. Grants management responsibilities include establishing consistent practices and providing guidance regarding grants management.

B. Emergency Support Team

The designated Finance Branch Chief is the CFO's representative to the Emergency Support Team (EST) and serves as the liaison between the EST and DHS. The Finance Branch Chief provides the EST Director with the necessary expertise and authority essential for effective fiscal management of expenditures from the DRF during initial disaster response activities.

C. Disaster Finance Center

The OFM/DFC, located in Berryville, VA, will:

1. Process all DRF payments;
2. Serve as the POC for inquiries relating to bill processing and payments;

3. Receive and review bills prior to processing payments to ensure proper documentation supports the expenditures claimed;
4. Initiate chargebacks to DHS's account for On-Line Payments and Collections (OPAC) system payments that are not supported with documentation;
5. Perform periodic reviews of open obligations to ensure accuracy and timeliness;
6. Provide financial management reports on DRF activities;
7. Track emergency aid (identified on the RFA) and bill the State cost-share portions; and
8. Track and initiate closeout procedures for each MA.

V. Funding

A. Reimbursable Budget Authority

1. FRP agencies may submit to OMB an annual estimate of the amount of reimbursable budget authority required to carry out their responsibilities under the Stafford Act. The Stafford Act authorizes reimbursement for the delivery of interagency work or services to provide disaster assistance. Eligible expenses incurred in the execution of MA issued under the authority of the Stafford Act should be charged to the other Federal agency's reimbursable account. Agencies will request reimbursement from DHS.
2. When DHS issues an MA to provide goods and services in support of Federal, State, and local assistance efforts, it has incurred an obligation. As work is completed, agencies should request reimbursement for goods and services rendered.
3. An interagency agreement is the funding mechanism used between agencies to provide goods and services on a reimbursable basis. Under the Stafford Act, the interagency agreement is referred to as an MA and is executed using an obligating document called an RFA. MAs are similar to interagency agreements, except they are exempt from the Economy Act and are governed by the Stafford Act.

B. Department of Homeland Security State Agreement

Federal funding to a State will be authorized under the individual DHS-State Agreement and passed to the State by electronic funds transfer through the Payments Management System (PMS) operated by the Department of Health and Human Services (HHS). After DHS enters the authorized amount in the HHS PMS, the recipient State requests the funds transfer via computer communications to HHS. This DHS payment process is commonly referred to as "SmartLink" and is administered by OFM.

C. Cost Projections for Funding Requirements

Cost projections strengthen financial management of the DRF and determine funding requirements. The projections do not represent a request for budget authority for the respective agencies.

1. After initial response operations begin, DHS organizations and ESF primary agencies, in consultation with support agencies, will estimate their total funding requirements for the duration of disaster operations.
2. The process of developing these projections should begin with the lowest operational level (i.e., DHS program/administrative staff and ESF agencies in the field) and build upward. Agency officials operating closely with State officials and the FCO/DRM will have the best insight into the demands for Federal assistance. Cost projections for the field will be forwarded to the DHS CFO, where HQ-level resource requirements may be added. Any unresolved issues regarding resource estimates will be presented to the CDRG for discussion and recommendations.
3. Cost projections for funding of disaster operations in the field must be developed by State (for a multi-State disaster), by ESF, by agency, and by major object class, if known (as described in OMB Circular A-11, Preparation and Submission of Budget Estimates (Part 1)).

VI. *Financial Controls, Guidance, and Organization*

A. General

Timely financial support for response activities is crucial in saving lives and protecting property. Expeditionary means will be employed to provide financial management support to achieve operational objectives. Agencies are responsible for developing and maintaining a cost-effective system of management controls to ensure Federal Government activities are managed effectively, efficiently, economically, and with integrity to prevent fraud, waste, and abuse.

B. Management Controls and Automated Systems

1. When entrusted with or statutorily made responsible for public funds, Federal Government employees are, in effect, trustees for the taxpayers. These “accountable officers” include authorized certifying officers, civilian and military disbursing officers, collection officers, and other employees who by virtue of their employment are responsible for or have custody of Federal Government funds. These officials are personally liable for the loss or improper payment of the funds for which they are accountable. They will ensure all bills are properly documented when recommending approval/disapproval of expenditures from the DRF.
2. Each ESF primary agency is responsible for establishing effective administrative control of funds and segregation of duties for proper management controls. A responsible official of each agency should be designated as the Project/Program

Administrator to ensure actions taken and costs incurred are consistent with the MAs issued by DHS. These same officials validate requests to DHS for reimbursement of eligible expenditures.

3. Special care must be taken throughout the disaster operations to maintain logs, formal records, and file copies of all expenditures from the DRF to provide accountability and justification for reimbursement.
4. Accountable officials must rely on the adequacy of automated systems, controls, and personnel who process transactions as detailed in the Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512(c)) for recurring assessment by agency management of the adequacy of accounting systems and management controls. Standards for internal controls and accounting systems are contained in Title 2 of the GAO Policy and Procedures Manual and OMB Circulars A-123 (Management Accountability and Control) and A-127 (Financial Management Systems).

C. Financial Organization at Department of Homeland Security Headquarters

1. The CFO will provide financial management support to the field. When the EST is activated to support a disaster, the CFO will appoint a representative to serve on the EST.
2. The CFO will serve as the financial POC for the Chairman of the CDRG, providing advice on financial management relating to the disaster.

D. Financial Organization in the Field

1. The CFO's office provides financial management support to the field.
2. As the CFO's on-site representative at the DFO, the Comptroller will provide the FCO the necessary expertise and authority essential for effective fiscal management and will provide financial policy guidance to primary and support agencies at the DFO.
3. DHS personnel rostered for financial positions on the Emergency Response Team are activated and deployed to the DFO to support financial management operations.
4. Federal agencies performing work under the Stafford Act must be prepared to process financial transactions in support of their own operations. Whether other Federal agency financial transactions are processed at the DFO or another location, the agency should designate a financial liaison to the DFO. The liaison should be a financial management professional or someone knowledgeable of the agency's financial operations. A financial liaison will ensure expeditious dissemination of financial guidance and information.

VII. Reimbursement of Federal Agencies

A. General

Under the statutory authority of the Stafford Act, MAs to other Federal agencies provide the authority to perform work, provide services, and acquire materials, within a funding limitation, on a reimbursable basis. Agencies can request reimbursement for eligible expenditures from DHS. All requests for reimbursement must contain adequate documentation to support expenditures being reimbursed. All requests for reimbursement will be processed by the OFM/DFC.

B. Mission Assignments

After the occurrence of any event that may result in a declared major disaster or emergency requiring Federal assistance, DHS may selectively task some or all of the ESFs of the FRP. When an ESF is tasked to do work, an MA is issued to the primary agency with a funding limitation and the requirements for the task(s) to be performed. DHS also may task agencies directly for work outside the scope of the ESFs.

1. MAs are work orders to other Federal agencies directing performance of specified tasks. Predeclaration authority for MAs at HQ resides with the Secretary of DHS and in the regions with the Regional Director. Upon activation, MA authority may be delegated to the EST and RST Director. Upon declaration, the RD appoints a DRM, usually the FCO. The vehicle used to obligate funds for disaster relief to other Federal agencies for authorized expenditures is the RFA.
2. Separate MAs should be issued for the three basic forms of emergency aid, i.e., direct Federal assistance, Federal operations support, and technical assistance. To allow for the proper accounting requirements associated with the cost-share program, the RFA should be marked with the appropriate form of emergency aid, the date and time of receipt of request, and should designate the percentage of State cost-share. Federal agencies should break down the charges indicating the specific county(ies) where the work was actually performed. No county breakout is needed if a cost-share waiver has been extended stipulating 100 percent Federal funding for all the affected counties. The DHS Project Officer will notify agencies if the county breakout is required.
3. ESF primary agencies may subtask support agencies as necessary to accomplish these tasks. The primary agency will alert its support agencies that their assistance may be required. If a primary agency decides that the services of a support agency are needed in accordance with the requirements of the Stafford Act, the primary agency issues a subtasking document with a funding limitation to the support agency.
4. Federal agencies may provide disaster assistance under the provisions of an MA. However, as a State becomes capable of resuming its own disaster operation responsibilities, MAs may be terminated and the work continued by the State. The State may file a claim with DHS.

5. Agencies tasked by DHS will submit monthly progress reports to DHS, including cost data when an MA takes more than 60 days to complete. The status report will include the status of the work being performed, status of the MA obligation amount, total obligations against that amount, projected expenditures, and the anticipated/actual completion date. Agencies should submit the last bill, marked "Final," no later than 90 days after completion of the MA.
6. The Project Officer will monitor the work in coordination with the tasked agency. DHS may determine to discontinue the MA at any time by written notification to the tasked agency, specifying a termination date and requesting a final billing, accompanied by an MA transmittal form marked "Final."
7. DHS will reimburse Federal agencies for eligible costs associated with providing assistance under an MA, and will collect the State cost-share portion of the costs when applicable. Payments to vendors by other Federal agencies should be made to comply with the Prompt Payment Act. Interest penalty payments are the responsibility of the other Federal agency and only will be reimbursed when caused by DHS.

C. Expenditures Eligible for Reimbursement

1. Policies and procedures for reimbursement of other Federal agencies are described in DHS regulations 44 Code of Federal Regulations (CFR) 206, Subpart A, Section 206.8. Paragraph C of this section specifically states which costs are eligible for reimbursement. The Secretary, DHS, or RD may approve the reimbursement of costs that are contained in this paragraph.
2. In accordance with 44 CFR 206, Subpart A, Section 206.8, Paragraph C, regular labor for permanent Federal agency personnel and overhead costs are not eligible for reimbursement, except when the costs incurred would normally be paid from a trust, revolving, or other fund.
 - a. Agencies that qualify and may be seeking reimbursement for overhead must submit certified annual overhead rate proposals to the OFM/DFC for approval prior to requesting reimbursement. OMB Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments, will be used as a guideline for these proposals.
 - b. The Financial Manager of the agency requesting reimbursement of either regular labor of permanent Federal agency personnel or overhead costs must provide written certification with the bill, stating that costs would normally be paid from a trust, revolving, or other fund.
 - c. Cost of Federal assistance provided by agencies performing work pursuant to disaster assistance authorities independent of the Stafford Act are not eligible for reimbursement.

D. Methods of Reimbursement

The preferred methods for reimbursing Federal agencies are Treasury's OPAC system and electronic funds transfer.

E. Reimbursement for Property

Agencies providing support under the authority of the Stafford Act will account for personal property in accordance with the requirements contained in the Logistics Management Support Annex to the FRP. Management controls for the procurement of personal property should provide reasonable assurance that:

1. Obligations and costs are in compliance with applicable laws;
2. Funds, property, and other assets are safeguarded against fraud, waste, loss, or unauthorized use; and
3. Expenditures in support of agency operations are properly authorized and recorded to maintain accountability over the assets.

F. Reimbursement Requests and Closeout

1. To ensure fiscal accountability and improve the accuracy of the DRF, agencies may submit bills on a monthly basis regardless of the billing amount. Agencies may submit a series of partial bills or one final bill; however, agencies should submit a final bill no later than 90 days after completion of the MA, or upon written notification from DHS that the MA is terminated. If no further requests for reimbursement are forthcoming, the agency must submit a letter stating such.
2. Separate reimbursement requests are required for each individual MA. Requests for reimbursement for amendments to the original MA may be consolidated because they relate directly to the initial tasking. Agencies may use computer-generated spreadsheets if all required data elements are incorporated in the spreadsheet. Agencies should submit proposed spreadsheets to the OFM/DFC and receive prior approval for use as a reimbursement document.
3. Requests for reimbursement must identify the disaster and MA number and break down charges by major object class. Agencies may be asked to provide invoices, receiving reports, timesheets, travel vouchers, and contracts to support labor costs, overtime, equipment, and similar charges. If regular time and overtime labor are billed, they should be identified separately on the invoice by either object class or description.
4. Requests for reimbursement for the three forms of emergency aid (direct Federal assistance, Federal operations support, and technical assistance) must be separated and reported by costs. Federal agencies should indicate date, time, and address (county) where work was performed for DHS to accurately bill the States for their cost-share portion.

5. Requests for reimbursement will be submitted by the ESF primary agency. The ESF primary agencies will receive and review requests for reimbursement from all sub-tasked agencies. ESF primary agency program officials will ensure bills are properly documented and recommend approval/disapproval according to whether the activity was properly authorized, goods were received, and services were provided. Approval is assurance that the expenditures claimed have been reviewed and are relevant to the MA, that the costs are reasonable and supported by records maintained by the respective agencies, and that the primary agency agrees that DHS should make payment to the support agency from the original obligation to the primary agency.
6. ESF primary agencies will return all disapproved requests for reimbursement with supporting documentation to the subtasked agency. Reasons for return will be noted on or attached to the reimbursement request. Primary agencies will forward all approved requests for reimbursement with supporting documentation to the OFM/DFC for payment and notify the subtasked agency of the disposition.

The mailing address for the OFM/DFC is:

DHS
Office of Financial Management
Disaster Finance Center
P.O. Box 800
Berryville, VA 22611
Attention: Mission Assignments

For Federal Express delivery the address is:

DHS
Building 708
19844 Blue Ridge Mountain Road
Bluemont, VA 22012
Attention: Mission Assignments

7. Organizations that do not fall under an ESF or that have been tasked directly by DHS will bill DHS directly.
8. All goods and services ordered by GSA for other Federal agencies, regardless of whether agencies are executing DHS-issued MAs, will be billed to the ordering agencies. GSA will use the ordering Federal agency's fund citation and billing address to process procurements. The other Federal agency will pay its vendors and subsequently request reimbursement from DHS for costs incurred under the MA. All goods and services ordered by GSA on DHS's behalf will be billed to DHS directly via OPAC, with reference to the associated disaster and obligation reference numbers.

9. The OFM/DFC will perform a financial review of the request for reimbursement and supporting documentation and forward to the Mission Assignment Coordinator (MAC) appointed for the particular disaster. The MAC will review the request for reimbursement with the designated Project Officer. Their comments will then be forwarded to the Federal Approving Official for final review and comment. All requests for reimbursement will be returned to the OFM/DFC with program signatures and comments. A chargeback will be initiated for disapproved OPAC costs and charges.
10. All MAs still open 1 year from the date of the disaster declaration will be reviewed by DHS's financial and program staff. The FCO/DRM will determine if the MA is still valid and the best source for accomplishing the work. Agencies will be required to:
 - a. Identify MAs that should be closed and submit a final bill if necessary; or
 - b. Identify MAs that should remain open, with revised completion dates, a description of remaining work to be completed, and the required funding to complete the work.
11. The OFM/DFC will deobligate the remaining obligated fund balance within 1 year from the date of the disaster declaration when status is not provided by the ESFs or when the FCO/DRM determines that the MA is no longer required. If it is later determined that the need for an MA exists, a new MA will have to be requested and approved by the FCO/DRM.
12. All documents supporting reimbursements received from MAs will be retained for 6 years and 3 months after final payment, in accordance with National Archives and Records Administration financial records management guidelines.

G. Resolution of Reimbursement Disputes

1. A disputed request for reimbursement, whether a dispute between DHS and an ESF primary agency or between an ESF and a support agency, will be forwarded to DHS's CFO for resolution.
2. Agencies will send disputed bills for goods and services with all applicable documents and reports to the OFM/DFC.
3. The OFM/DFC will prepare an administrative report and forward the disputed bill to the CFO. The CFO may request input from the program office before forwarding the request to the DHS Office of General Counsel, or other independent office, for resolution.

VIII. Audits

The DHS program office or OFM may request DHS's OIG to conduct an audit of MAs. DHS's OIG will recommend audits of MAs to the OIGs of other Federal agencies and will be available to perform audits at their request. Audits will focus on MAs that present the greatest risk of fraud, waste, or abuse. Agencies should be able to provide supporting documentation verifying that billed expenses were actually incurred in performing the MA. Agencies also will maintain source documentation that adequately supports all charges billed to DHS.

IX. Applicable Financial Management Reference Materials

Standard financial management policies and regulations are available in each Federal agency and should be used in responding to major disasters. General authorities and guidance on select financial operations include:

A. Department of Homeland Security

The Stafford Act is the basic authority for presidentially declared major disasters and emergencies. Regulations guiding implementation of the Stafford Act are contained in 44 CFR 206.

B. General Accounting Office

The GAO Policies and Procedures Manual for Guidance of Federal Agencies is a codification of material previously issued as General Regulations, Accounting Systems Memorandums, Accounting Principles Memorandums, Circular Letters, Bulletins, and other regulations. The provisions of this manual are applicable to all Federal agencies.

C. Department of the Treasury

The Treasury Financial Manual for Guidance to Departments and Agencies (Treasury Financial Manual) is the official publication in which the Department of the Treasury (Treas) issues codified instructions for the areas of Accounting Forms (Part 1); Central Accounting and Reporting (Part 2); Payroll Deductions, Withholdings (Part 3); Disbursing (Part 4); Deposits (Part 5); and Other Fiscal Matters (Part 6).

D. General Services Administration

1. The Federal Travel Regulations, published by GSA, are applicable to all Federal agencies for determining per diem rates and eligible travel expenses.
2. The Federal Property Management Regulations include the policies and guidelines relating to property management and the use and disposal of property in all executive agencies (41 CFR 101).
3. The Federal Acquisition Regulation (FAR) sets forth the requirements for procuring supplies and services from government, private, and nonprofit sources. The policies in the FAR are followed by all Federal agencies. Although each agency has its own

internal supplement to the FAR, it cannot change the basic policies of the FAR (48 CFR) unless exempted by law.

E. Office of Management and Budget

OMB Circulars and Bulletins. Particular attention should be directed to requirements specified in Circular A-11, Preparation and Submission of Budget Estimates (Part 1); Circular A-34, Budget Execution; and Circular A-73, Audit of Federal Operations and Programs.

F. Other Federal Agencies

Federal agencies should use their respective financial manuals, directives, and instructions.